

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

The Financial Oversight and Management Board
for Puerto Rico,

as representative of

The Commonwealth of Puerto Rico, et al.

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**VERIFIED STATEMENT OF THE LAWFUL CONSTITUTIONAL
DEBT COALITION PURSUANT TO FEDERAL RULE
OF BANKRUPTCY PROCEDURE 2019**

The Lawful Constitutional Debt Coalition (the “LCDC”), consisting of certain institutions that hold and/or manage funds, entities, and/or accounts holding (i) bonds issued by the Puerto Rico Public Building Authority (the “PBA”) and guaranteed by the Commonwealth of Puerto Rico (the “Commonwealth”) (the “PBA Bonds”), (ii) certain general obligation bonds issued by the Commonwealth (the “GO Bonds”), and (iii) bonds issued by other Commonwealth instrumentalities and guaranteed by the Commonwealth (collectively with the PBA Bonds and the GO Bonds, the “Constitutional Debt”), hereby submits this verified statement (the “Verified Statement”) pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), made applicable to the Commonwealth’s Title III Case (the “Case”) by Section 310 of

¹ The Debtors in these Title III cases, along with each Debtor’s respective bankruptcy case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (iv) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), 48 U.S.C. § 2170 *et seq.*, and respectfully states as follows:

1. The members of the LCDC retained Quinn Emanuel Urquhart & Sullivan, LLP (“Quinn Emanuel”) and Reichard & Escalera, LLC (together with Quinn Emanuel, “Counsel”) as counsel in February 2019.

2. Counsel submits this Verified Statement in the Commonwealth Case to disclose economic interests currently held by the LCDC in accordance with the Order Further Amending Case Management Procedures [Case No. 17 BK 3283-LTS; Docket No. 4866-1] (the “Eighth Amended Case Management Order”).

3. The members of the LCDC hold disclosable economic interests, or act as investment advisors or managers to funds, entities, and/or accounts of their respective affiliates that hold disclosable economic interests in relation to the Commonwealth. The members of the LCDC hold, or are the investment advisors or managers to funds, entities, and/or accounts that hold, approximately \$777,011,650 in aggregate amount of Constitutional Debt (*i.e.*, bonds issued or guaranteed by the Commonwealth and supported by the Commonwealth’s full faith, credit and taxing power) (based on their accreted value as of February 22, 2019). In accordance with the requirements of Bankruptcy Rule 2019, and based upon information provided to Counsel by each member of the LCDC, attached hereto as Exhibit A is a list of the names, addresses, and “the nature and amount of all disclosable economic interests” held in relation to the Commonwealth by each present member of the LCDC as of February 22, 2019.

4. As of the date of this Verified Statement, Counsel represents the LCDC only with respect to their Constitutional Debt and does not represent or purport to represent any entities other

than the LCDC with respect to the Case.² The LCDC does not (a) assume any fiduciary or other duties to any other entities in connection with the Case or (b) represent or purport to represent any other entities in connection with the Case. To the extent any member of the LCDC holds interests in title III Debtors other than Constitutional Debt, the LCDC does not represent such other interest, nor does Counsel represent group members with respect to such other interests.

5. Nothing contained in this Verified Statement (or Exhibit A hereto) is intended to or should be construed to constitute (a) a waiver or release of any claims filed or to be filed against or interests in the Commonwealth, PBA, or any of the other title III Debtors held by any member of the LCDC, its affiliates, or any other entity or (b) an admission with respect to any fact or legal theory. Nothing in this Verified Statement (or Exhibit A hereto) should be construed as a limitation upon, or waiver of, the LCDC's rights to assert, file, and/or amend their claims in accordance with the applicable law and any Orders entered in this Case.

6. Additional holders of Constitutional Debt may become members of the LCDC, and certain members of the LCDC may cease to be members in the future. Counsel reserves the right to amend and/or supplement this Verified Statement as necessary for that or any other reason in accordance with Bankruptcy Rule 2019 and any Order entered in this Case.

² Counsel previously represented an ad hoc coalition of holders of senior bonds issued by the Puerto Rico Sales Tax Financing Corporation ("COFINA") and members of the LCDC previously held bonds issued by COFINA. Pursuant to paragraph 12 of the *Amended Order and Judgment Confirming the Third Amended Title III Plan of Adjustment of COFINA* (the "Plan"), Case. No. 17-3284 (Dkt. 561), all COFINA bonds were canceled on February 12, 2019 (the Effective Date). Members of the LCDC may hold new COFINA securities issued under the Plan.

7. The undersigned hereby verifies that the foregoing is true and accurate, to the best of the undersigned's knowledge and belief.

DATED: February 26, 2019

REICHARD & ESCALERA

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Co-Counsel for the Lawful Constitutional Debt Coalition

Exhibit A

**Names, Addresses, and Disclosable Economic Interests Held
in Relation to the Commonwealth by Each Present Member of the
Lawful Constitutional Debt Coalition as of February 22, 2019¹**

Name of Creditor²	Address	Nature and Amount of Disclosable Economic Interests in Commonwealth and Commonwealth-Guaranteed Bonds
GoldenTree Asset Management LP (on behalf of its participating clients)	300 Park Avenue 20th Floor New York, NY 10022	Uninsured Constitutional Debt: \$310,890,000 Insured Constitutional Debt: \$1,200,000
Whitebox Advisors LLC (on behalf of its participating clients)	3033 Excelsior Boulevard Suite 300 Minneapolis, MN 55416	Uninsured Constitutional Debt: \$157,145,000 Insured Constitutional Debt: \$0
Monarch Alternative Capital LP (on behalf of its participating clients)	535 Madison Avenue New York, NY 10022	Uninsured Constitutional Debt: \$273,591,050 Insured Constitutional Debt: \$34,185,600

¹ To the best of Counsel's knowledge, the information included herein is accurate as of February 22, 2019. The amounts set forth herein include only outstanding principal (accreted value for capital appreciation bonds) and do not include overdue interest, interest on overdue interest and principal, or other amounts that may be owing under the applicable debt documents and laws.

² Each person or entity in this Exhibit A holds disclosable economic interests, or acts as investment advisor or manager to funds, entities, and/or accounts of their respective affiliates that hold disclosable economic interests, in relation to PBA and the Commonwealth, if applicable.

CERTIFICATE OF SERVICE

I hereby certify that on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to counsel for the parties of record.

/s/Carlos R. Rivera-Ortiz
USDC-PR 303409